Redhawk Resources

Management Discussion and Analysis

For The nine month period ended

December 31, 2012

This discussion and analysis should be read in conjunction with condensed consolidated interim unaudited financial statements and related notes thereto for the nine month period ended December 31, 2012 and 2011 (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards. All amounts in the financial statements and this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated. This Management Discussion and Analysis ("MD&A") is dated February 13, 2013 and discloses specified information up to that date.

FORWARD LOOKING INFORMATION

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Redhawk Resources, Inc. ("Redhawk" or the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

DESCRIPTION OF BUSINESS

The Company and its wholly-owned subsidiaries, Redhawk Copper, Inc. and Redhawk Resources (USA), Inc., are engaged in the acquisition, exploration and development of resources with a primary focus on the accelerated development of its advanced stage Copper Creek copper-molybdenum project in San Manuel, Arizona.

The Company is listed and trades on the Toronto Stock Exchange ("TSX") under the symbol "RDK"; and the Frankfurt Stock Exchange Open Market under the trading Symbol "QF7" and trades on the OTCQX International under the symbol "RHWKF".

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS - MINERAL PROPERTIES

To best understand our financial results, it is important to gain an appreciation for the significant events, transactions and activities on mineral properties which occurred during and subsequent to the reporting period, and these are summarized below.

The following comments relate principally to those events, transactions and activities in 2012 and in 2013 up to the date of this document. Previously completed Management Discussion and Analysis documents covering comments for earlier periods have been prepared and filed accordingly on SEDAR.

COPPER CREEK

Redhawk's principal property is its approximately thirty-five square mile Copper Creek property located in the southwest porphyry copper belt in the State of Arizona, 75 miles northeast of Tucson and 15 miles northeast of San Manuel, in an area well situated in regard to existing general and copper mining infrastructure. Copper Creek hosts multiple breccia and porphyry copper deposits. Molybdenum is present in varying amounts in both the breccia and porphyry copper deposits and is expected to provide substantial credits to both deposit types. Gold and silver are also present in both deposit types and are expected to provide credits during mining.

The most significant of these deposits identified to date on the Copper Creek property are the porphyry deposit of the Keel and American Eagle plus the Mammoth, Childs-Aldwinkle, Old Reliable, Copper Prince, and Globe breccias. Prior to Redhawk's acquisition of the property there had been more than 461,575 feet (87 miles) of rotary and diamond drilling, with verifiable data, completed on the property. Since acquiring the Copper Creek property Redhawk has re-organized the historic data; conducted a review and analysis of the breccia's; the Keel zone; and the American Eagle porphyry; developed new geological models; completed an additional 186,086 feet of diamond and rotary drilling as of September 30, 2012; completed new NI 43-101 compliant resource estimates; completed environmental studies and obtained permits to allow for underground access; and commissioned and completed a detailed scoping study on the economic viability of the Copper Creek property.

Starting in 2012, the Company was focusing its efforts on Copper Creek to complete the work required to obtain the necessary information to begin a Pre-Feasibility Study in early 2012. The Company is working with its environmental consultants Westland Resources, Inc. (Westland) to apply for the additional permits required to allow the commencement of the development decline approved in the APP. In addition the Company has completed the field environmental review of the balance of the original 7 square mile Copper Creek property not currently covered by previous permits. This review was focused on the current resource area. These reports are completed and suggestions for additional detailed studies of a few areas are currently being drafted. The Arizona State Lands Right of Ways to allow commercial access to Copper Creek have been obtained. Additional metallurgical work was completed on the 2011-2012 cores with METCON Engineering. Fourteen separate samples from various areas of the deposits, various grade ranges, and different mineralogy's have been tested. Bulk "lock-cycle" tests and copper/molybdenum separation tests were completed. Grinding and crushing tests have also been completed. Additional geotechnical work including geotechnical logging of all core drilled, four oriented core holes within the resource area, and surface geotechnical mapping has been completed with Call & Nicolas, Inc. (C&N) in regard to rock quality. C&N is continuing to evaluate the geotechnical data and advise the Company's internal and external mining engineers. Hydrology studies are being completed by Golder Associates, Inc.(GA) on water sources required for potential production. An application for several test water wells within the existing Arizona State Lands ROW has been submitted to the State of Arizona. Independent Mining Consultants (IMC) was being supplied with all the drilling and assay data on a routine basis for a resource update that was completed in early 2012 and continues to receive all new drilling and assay results as they become available. Meetings were held and are continuing to be held with all of Redhawk's consultants including Milne & Associates (Milne) the Company's external mining engineers, to plan and begin the Pre-Feasibility Study process in early 2012. The Pre-Feasibility Study is currently in progress. IMC completed a NI 43-101 compliant resource study on May 9, 2012 and Redhawk issued a news release on the results on May 10, 2012 and a follow up news release on May 18, 2012. A formal NI 43-101 resource report was filed on June 25, 2012. IMC completed an additional NI 43-101 compliant resource study on December 19, 2012 and Redhawk issued a news release on the results on December 20, 2012. The formal NI 43-101 resource report was filed on February 4, 2013.

Redhawk expanded the drill program for 2011/2012 from approximately 60,000 feet to more than 100,000 feet. The program was focused on resource upgrading and expansion in the immediate vicinity of the American Eagle and Keel porphyry which remain open in most directions. The program commenced on a number of previous rotary pre-collared holes. The drilling was completed on drill spacing designed to increase Measured and Indicated resources or add new resources into higher confidence categories. The Company consulted with IMC to determine the best drilling locations to increase the Measured and Indicated resources in the deep porphyry deposits. Drilling was completed in early July 2012. Assay results for the first completed drill holes of the 2011-2012 drill program were disclosed in the news release dated June 1, 2011. Assay results for three previously pre-collared holes completed to total depths with coring as part of the 2011 program were reported in a news release dated September 12, 2011. Results for four additional holes of the 2011 program were disclosed in a news release dated November 29, 2011 and results for additional completed drill holes of the 2011 program were disclosed in a news release dated January 24, 2012. Results for six additional drill holes were disclosed in a news release dated March 14, 2012. As of the date of this filing, all drilling is completed and the drills have left the site. Several additional drill holes were completed since March and final assay results announced August 8, 2012. Two rotary holes were also completed on two areas of Arizona State Mineral Prospecting Permit lands to satisfy their full tenure work commitments. Redhawk will continue with discussions with third parties who have expressed an interest in the project.

In December 2012, the Company completed the consolidation of the Copper Creek mining district by entering into agreements to acquire approximately 1.4 square miles of additional patented properties contiguous to Copper Creek. The total acquisition price was $1.2 m USD, and was structured under the terms of two separate agreements for sale. The first agreement was for $800,000, with an initial payment of $50,000 and then payments over the next four years, with interest at the rate of 6%. The second agreement was for $400,000 with an initial payment of $50,000 and then payments over the next seven years, with no interest.

LIQUIDITY AND CAPITAL RESOURCES – FINANCIAL CONDITION OF THE COMPANY

As at December 31, 2012, the Company had current assets of $4,251,155 and current liabilities of $573,887 compared to current assets of $7,333,746 and current liabilities of $839,308 as at March 31, 2012. Working capital is $3,677,268 at December 31, 2012 compared to $6,494,438 at March 31, 2012.

Equity at December 31, 2012 was $35,324,890 compared to $34,084,324 as at March 31, 2012.

The Company has adequate working capital to meet planned exploration and administrative requirements for the fiscal year ending March 2013. Management has prepared, and the board has approved, financial budgets.

Results Of Operations

	Three month period ended December 31, 2012	Three month period ended December 31, 2011	Nine month period ended December 31, 2012	Nine month period ended December 31, 2011
Expenses				
Director fees	$ 32,361	$ 19,355	$ 85,478	$ 71,171
Filing fees	12,659	13,446	63,630	182,423
Insurance	9,150	8,262	25,674	15,950
Investor relations	8,736	39,939	84,896	205,732
Management and consulting fees	198,253	123,691	492,071	301,710
Office and sundry	15,673	14,777	56,897	37,819
Professional fees	41,926	56,705	109,283	178,335
Rent	4,871	7,575	14,569	25,726
Share-based payments	149,381	263,474	725,365	724,931
Transfer agents	393	8,612	5,521	82,031
Travel and accommodations	35,180	18,330	63,706	87,568
	(508,583)	(574,166)	(1,727,090)	(1,913,396)
Other items				
Interest income	43,103	28,610	79,866	123,448
Interest expense	(21,017)	(25,452)	(61,994)	(69,463)
Foreign exchange gain (loss)	1,488	23,882	2,736	3,901
Net loss for period	**$ (485,009)**	**$ (547,126)**	**$ (1,706,482)**	**$ (1,855,510)**

NET LOSS

The net loss for the quarter ended December 31, 2012 was $485,009 compared to $547,126 for the quarter ended December 31, 2011 representing a decrease of $62,117.

The net loss for the nine month period ended December 31, 2012 was $1,706,482 compared to a net loss for the nine month period ended December 31, 2011 of $1,855,510.

EXPENSES

For the quarter ended December 31, 2012, total expenses were $508,583 compared to $574,166 recorded during the same period in 2011, representing a decrease of $65,683 or 11%. For the nine month period ended December 31, 2012 total expenses were $1,727,090 compared to $1,913,396 for the nine month period ended December 31, 2011. Included in expenses is a non-cash charge of $725,365 (December 31, 2011 - $724,931) for share-based compensation. After deducting the non-cash adjustment for share-based payment expenses, expenses totalled $1,001,725 (December 31, 2011 - $1,188,465) representing a decrease of $186,740 or 16%. Material variances over the comparable period are discussed below.

Filing fees

For the quarter ended December 31, 2012, filing fees were $12,659 compared to $13,446 for the quarter ended December 31, 2011. Filing fees were $63,630 for the nine month period ended December 31, 2012 compared to $182,423 reported over the same time period in 2011. In the 2011 fiscal quarter the Company filed an application for trading on the OTCQX and completed the TSX listing.

Investor relations

For the quarter ended December 31, 2012, investor relation fees were $8,736 compared to $39,939 for the quarter ended December 31, 2011. Investor relations fees were $84,896 for the nine month period ended December 31, 2012 compared to $205,732 reported over the same time period in 2011. The 2011 comparative period included conferences and presentations in Europe, Canada and the United States. Expenses include all related travel and accommodation costs. Also included in this category are the fees paid for services provided under investor relations contracts.

Management and consulting

For the quarter ended December 31, 2012, management and consulting fees were $198,253 compared to $123,691 for the quarter ended December 31, 2011. Management and consulting fees were $492,071 for the nine month period ended December 31, 2012 compared to $301,710 reported over the same time period in 2011. These expenses include services provided under various consulting contracts by the President and CEO, CFO, Corporate Secretary and Executive Chairman. In addition, in the 2012 period, a $24,000 fee was paid to the Principal American Liason (PAL) for ongoing guidance on the OTCQX requirements.

Professional fees

For the quarter ended December 31, 2012, professional fees were $41,926 compared to $56,705 for the quarter ended December 31, 2011. Professional fees were $109,283 for the nine month period ended December 31, 2012 compared to $178,335 reported over the same time period in 2011. Decreased professional fees resulted mainly from reduced legal fees in the period. Legal fees in the 2011 period were related to filings on the OTCQX and the application by the Company to move from the TSX Venture listing to the TSX senior board.

Share-based payments

For the quarter ended December 31, 2012, share-based payments were $149,381 compared to $263,474 for the quarter ended December 31, 2011. Share-based payments were $725,365 for the nine month period ended December 31, 2012 compared to $724,931 reported over the same time period in 2011. These non-cash expenditures are a function of the implementation of the methodology used under IFRS for calculating share based payment values.

Transfer agent

For the quarter ended December 31, 2012, transfer agent fees were $393 compared to $8,612 for the quarter ended December 31, 2011. Transfer agent fees were $5,521 for the nine month period ended December 31, 2012 compared to $82,031 reported over the same time period in 2011. In the 2011 period, this included a $60,000 fee paid to the Principal American Liason (PAL), for ongoing guidance on OTCQX filing requirements.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

Fiscal quarter ended	Revenues[1]	Net loss – total	Loss from continuing operations – per share[1, 2]	Net comprehensive gain/(loss) – total	Net gain/ (loss) - per share[2]
		$	$	$	$
December 31, 2012	Nil	(485,009)	(0.00)	(124,837)	(0.00)
September 30, 2012	Nil	(599,505)	(0.00)	(1,635,509)	(0.01)
June 30, 2012	Nil	(621,968)	(0.00)	(57,955)	(0.00)
March 31, 2012	Nil	(698,688)	(0.00)	(1,193,892)	(0.01)
December 31, 2011	Nil	(547,126)	(0.00)	(1,207,503)	(0.01)
September 30, 2011	Nil	(689,118)	(0.00)	917,851	0.01
June 30, 2011	Nil	(619,266)	(0.00)	(714,219)	(0.00)
March 31, 2011	Nil	(588,858)	(0.01)	(936,626)	(0.01)

Note 1: Revenues exclude interest income. Fully diluted per share amounts are not scheduled as they would be anti-dilutive.
Note 2: Loss per share is rounded to the nearest whole cent

TRANSACTIONS WITH RELATED PARTIES

The following amounts due to related parties are included in trade payables and accrued liabilities:

		December 31, 2012	March 31, 2012
Directors and officers of the Company	$	22,328	$ 33,200

These amounts, which include directors fees and expense reimbursements, are unsecured, non-interest bearing and have no fixed terms of repayment. All amounts were paid subsequent to the period end.

Key management compensation

	Nine month period ended			
		December 31, 2012		December 31, 2011
Management fees (1)	$	162,597	$	161,186
Consulting		173,050		166,500
Director fees		85,478		58,065
Share-based payments		758,913		342,311
	$	1,180,038	$	728,062

(1) Certain of management fees are allocated to exploration and evaluation assets as warranted.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions approved by the Board of Directors.

CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are presented in Note 3 in the notes to the annual financial statements. The preparation of these audited financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period presented, and reported amounts of expenses during the same period. Actual outcomes could differ from these estimates. The audited financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates may require accounting adjustments based on future occurrences. Any revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods if the revision affects the future. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectation of future events that are believed to be reasonable under the circumstances.
Significant assumptions about the future and other sources of estimation uncertainty at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made include, but are not limited to, the following:

Impairment analysis

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss for the period.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective assets.

Changes in any of the assumptions used to determine impairment testing could materially affect the result of the analysis.

As at December 31, 2012, the Company reviewed the carrying value of its assets and determined that there were no indicators of impairment.

Share–based payments

From time to time, the Company, through its Board of Directors, grants share purchase options to directors, employees, and service providers. The Company uses the Black –Scholes option pricing model to estimate the value for these options .This model requires inputs such as expected volatility, expected life to exercise, and interest rates. Changes in any of these inputs could cause a significant change in the share –based payments expense charged in any period.

ACCOUNTING STANDARDS ANTICIPATED TO BE EFFECTIVE MARCH 1, 2013

Financial instruments

The IASB intends to replace IAS 39 *Financial Instruments: Recognition and Measurement ("*IAS 39") in its entirety with IFRS 9 *Financial Instruments ("*IFRS 9") in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles-based and less complex than IAS 39, and is effective for annual periods beginning on or after January 1, 2015 with earlier adoption permitted**.** In November 2009 and October 2010, phase I of IFRS 9 was issued and amended, respectively, which addressed the classification and measurement of financial assets and financial liabilities. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. The IASB has issued exposure drafts addressing impairment of financial instruments, hedge accounting and the offsetting of financial assets and liabilities. The Company continues to evaluate the impact the final standard is expected to have on its consolidated financial statements.

Consolidation

IFRS 10 *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard (i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; (ii) defines the principle of control, and establishes control as the basis for consolidation; (iii) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation- Special Purpose Entities* and is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company continues to evaluate the impact the final standard is expected to have on its consolidated financial statements.

Joint Arrangements

IFRS 11 *Joint Arrangements* establishes the core principle that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company continues to evaluate the impact the final standard is expected to have on its consolidated financial statements.

Disclosure of Involvement with Other Entities

IFRS 12 *Disclosure of Involvement with other Entities* requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company continues to evaluate the impact the final standard is expected to have on its consolidated financial statements.

Fair Value Measurement

IFRS 13 *Fair Value Measurement* defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: share-based payment transactions within the scope of IFRS 2 *Share-based Payment*; leasing transactions within the scope of IAS 17 *Leases*; measurements that have some similarities to fair value but that are not fair value, such as net realizable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets.* This standard is effective for annual periods beginning on or after January 1, 2013, with early application permitted. The Company continues to evaluate the impact the final standard is expected to have on its consolidated financial statements.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose or short-term profit taking.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. Unrealized gains and losses on the fair value of such assets are recognized in other comprehensive income whereas impairment losses and foreign exchange gains and losses on such assets are recorded in the statement of loss.

The Company has classified its cash and cash equivalents, short term investments, receivables and reclamation bonds as loans and receivables. Trade payables and accrued liabilities are classified as other financial liabilities.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

RISKS RELATED TO THE COMPANY'S BUSINESS

Resource exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production stage are also very substantial.

The following sets out the principal risks faced by the Company.

Exploration risk. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price risks. The Company's exploration projects seek copper, molybdenum, silver and gold in the United States. While each of these minerals have recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Financing risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Currency risks. The Company's exploration expenditures are predominately in US dollars and equity raised is predominately in Canadian dollars. The financial risk is the risk to the Company's operations that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company is subject to fluctuations in foreign currency at the time payments are due on the US dollar promissory note. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Key personnel risks. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Foreign Countries and Regulatory Requirements. Currently, the Company's principal properties are located in the United States. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, and political risk. Both mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety. The Company maintains the majority of its funds in Canada and only forwards sufficient funds to meet current obligations.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of December 31, 2012 was $21,121,449. The Company has not yet had any revenue from the exploration activities on its properties, nor has the Company yet determined that commercial development is warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

OTHER MD&A DISCLOSURE REQUIREMENTS

Information available on SEDAR

As specified by National Instrument 51-102, Redhawk advisers readers of this MD&A that important additional information about the Company is available on the SEDAR website http://www.sedar.com/

Disclosure Controls and Procedures

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the establishing and maintaining the Company's disclosure controls and procedures (as defined by NI 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109")). The CEO and CFO, after having caused an evaluation to be performed of the effectiveness of the design and operation of the Company's disclosure controls and procedures, have concluded that as of December 31, 2012, the Company's disclosure controls and procedures were adequate and effective to ensure that material information relating to the Company and its consolidated subsidiaries required to be disclosed in the Company's reports filed or submitted under the NI 52-109 would have been known to them.

Internal Controls Over Financial Reporting

NI 52-109 requires Canadian public companies to submit an annual certificate relating to the design and operating effectiveness of internal control over financial reporting ("ICFR") ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. Management is responsible for establishing and maintaining ICFR and management, including the CEO and the CFO, have evaluated the design and caused testing of the effectiveness of the ICFR at December 31, 2012. Based on this evaluation, the management, with the participation of the CEO and CFO, has concluded that the design and operating effectiveness of ICFR was effective as of December 31, 2012. The Company has used the Guidance for Smaller Public Companies published by the Committee of Sponsoring Organizations of the Treadway Commission internal control framework to design ICFR.

Due to its inherit limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis as such systems can only be designed to provide reasonable as opposed to absolute assurance. Also, projections of any evaluation of the effectiveness of ICFR to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

NI 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. There has been no change in the Company's internal control over financial reporting that occurred during the period ended December 31, 2012, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Outstanding Share Data

As at February 13, 2013the Company had 146,851,038 common shares outstanding. As at the same date there were 10,085,000 stock options were outstanding at exercise prices from $0.17 to $0.79 per share.

	Number of shares	$	**Number of options**	Exercise price	Expiry date
Issued and outstanding	146,851,038	47,235,334	1,000,000	$0.17	Apr 6, 2014
			600,000	$0.25	Apr 6, 2014
			1,250,000	$0.22	Nov 10, 2014
			775,000	$0.42	Jul 9, 2015
			1,135,000	$0.79	Feb 11, 2016
			550,000	$0.59	Jul 7, 2016
			250,000	$0.42	Oct 3,2016
			500,000	$0.43	Oct 17, 2016
			2,925,000	$0.60	Feb 17, 2017
			750,000	$0.50	Aug 20, 2017
			350,000	$0.60	Jan 22, 2018
			10,085,000		

Vancouver, British Columbia February 13, 2013

C**autionary Statement**

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are advised not to place undue reliance on forward-looking statements.